



***DRAFT
WORKING PAPERS
Iraq Status***

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Highlights

CPA Priorities:

- Essential Services
- Security
- Governance
- Economy
- Strategic Communications

CPA Intermediate Objectives:

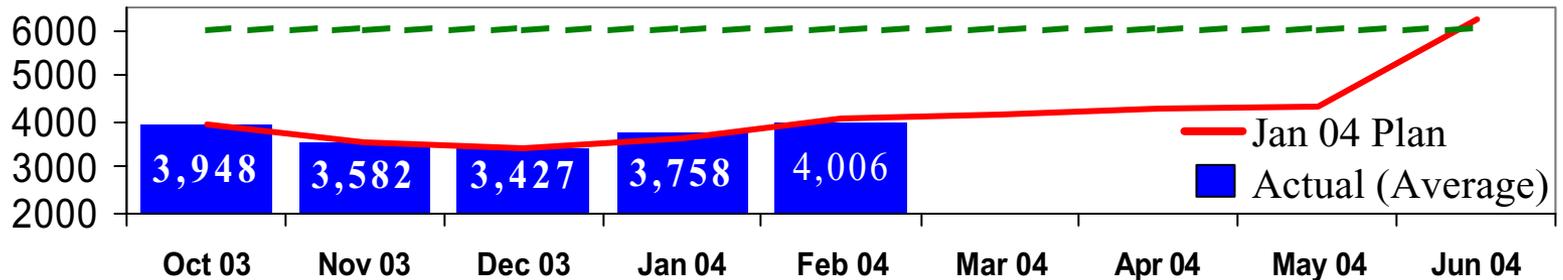
- Reconstitute electric power infrastructure
- Reconstruct the telecom system
- Draft "Transitional Administrative Law"
- Build financial market structures
- Increase professionalism of TV staff

Weekly Highlights:

- Weekly oil production average of 2.3 million barrels per day exceeds current target of 2 MBPD
- 25 Iraqi Fulbright scholars met with President Bush & Secretary Powell in the White House
- 263 Post Offices were restored and are now operational
- National Employment Program created 108,433 jobs as of 6 Feb 04
- CPA and USAID will disseminate set of 1 million leaflets & 40,000 posters in all 18 governorates to promote democratic themes
- Over half of governorates have Provincial Councils that completed the refreshment process to become more representative of their populations, in terms of gender and ethnicity, than when originally chosen

Electricity Overview

Goal June 04: 6,000 MW
Peak Production Capacity



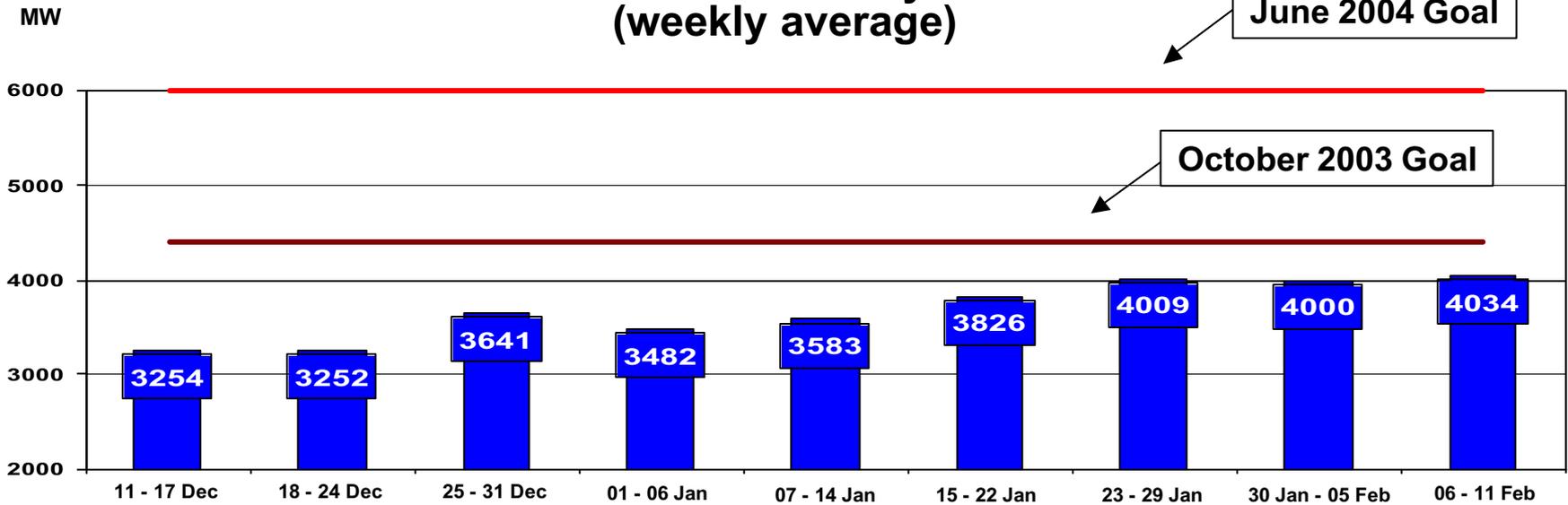
- Ambassador Bremer approved a new increase plan on 14 Jan 04 to prevent current project delays from impacting the goal of 6,000 MW by 01 Jun
- CPA Autumn Maintenance Program begun Oct 03 is transitioning into the Spring program throughout February and has resulted in 971 MW in scheduled maintenance losses on average over the past week. Unscheduled generator maintenance continues with 773 MW out of service



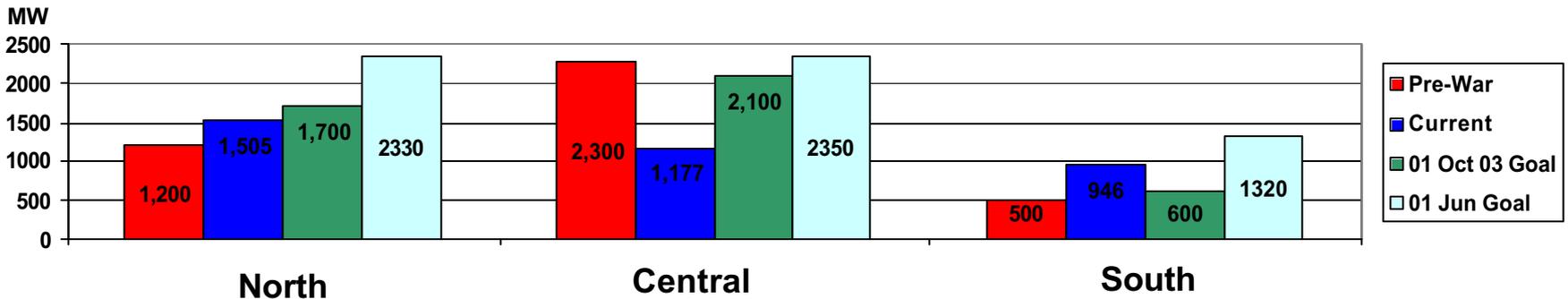
Power Production

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Total Country (weekly average)

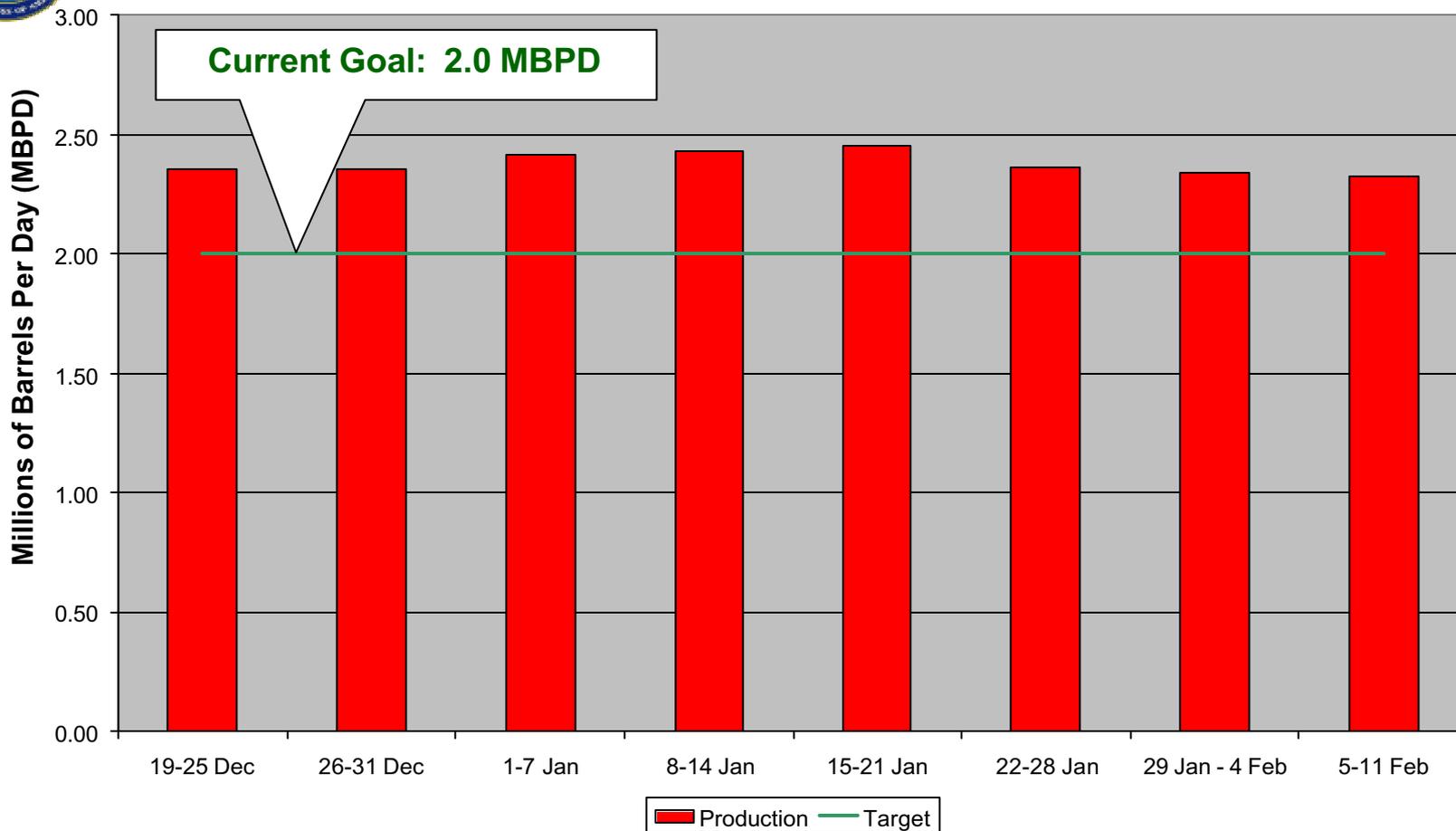


By Region





Crude Oil Production

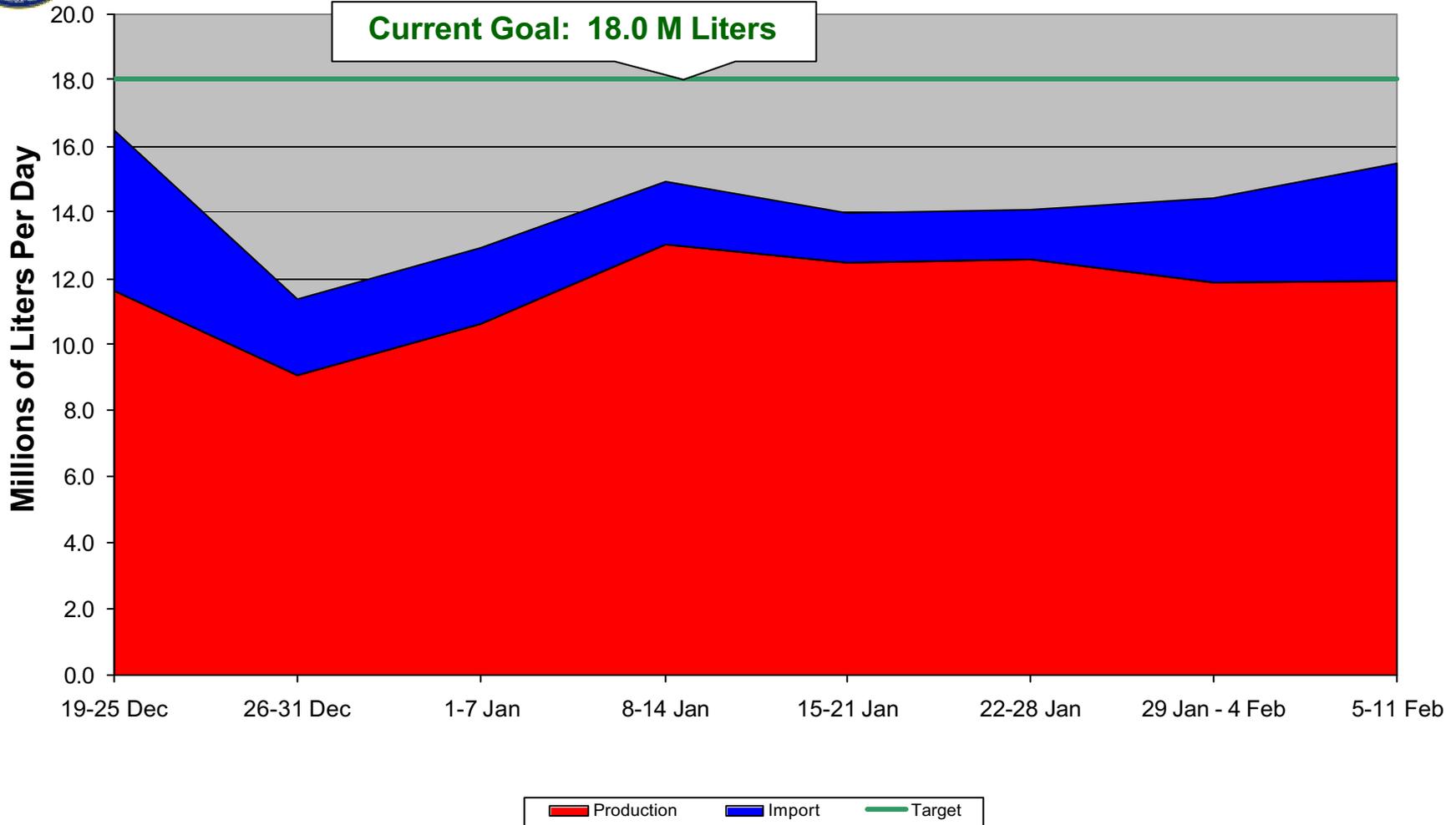


WEEKLY AVERAGE OF 2.321 MBPD EXCEEDS TARGET OF 2.0 MBPD

- Long Term Target (Dec 04): 2.8-3.0 MBPD (Pre-War Capacity)
- Pre-War Peak: 2.5 MBPD in Mar 03
- Post-war Peak: 2.484 MBPD on 6 Jan 04
- Weekly average of crude exports: 1.54 MBPD



Diesel Production



• This week's average production and imports are 86% of goal

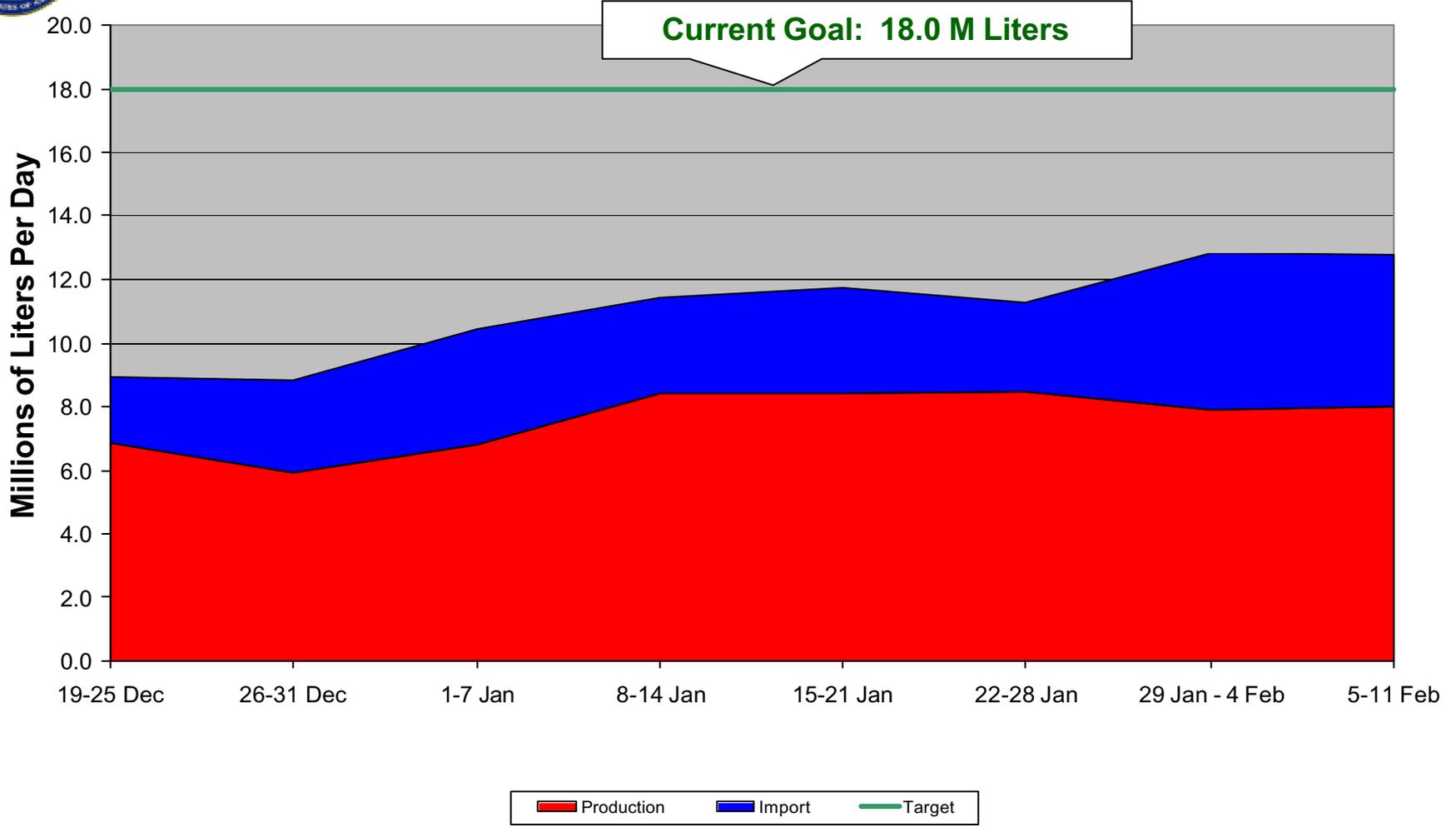
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N/P



Kerosene Production

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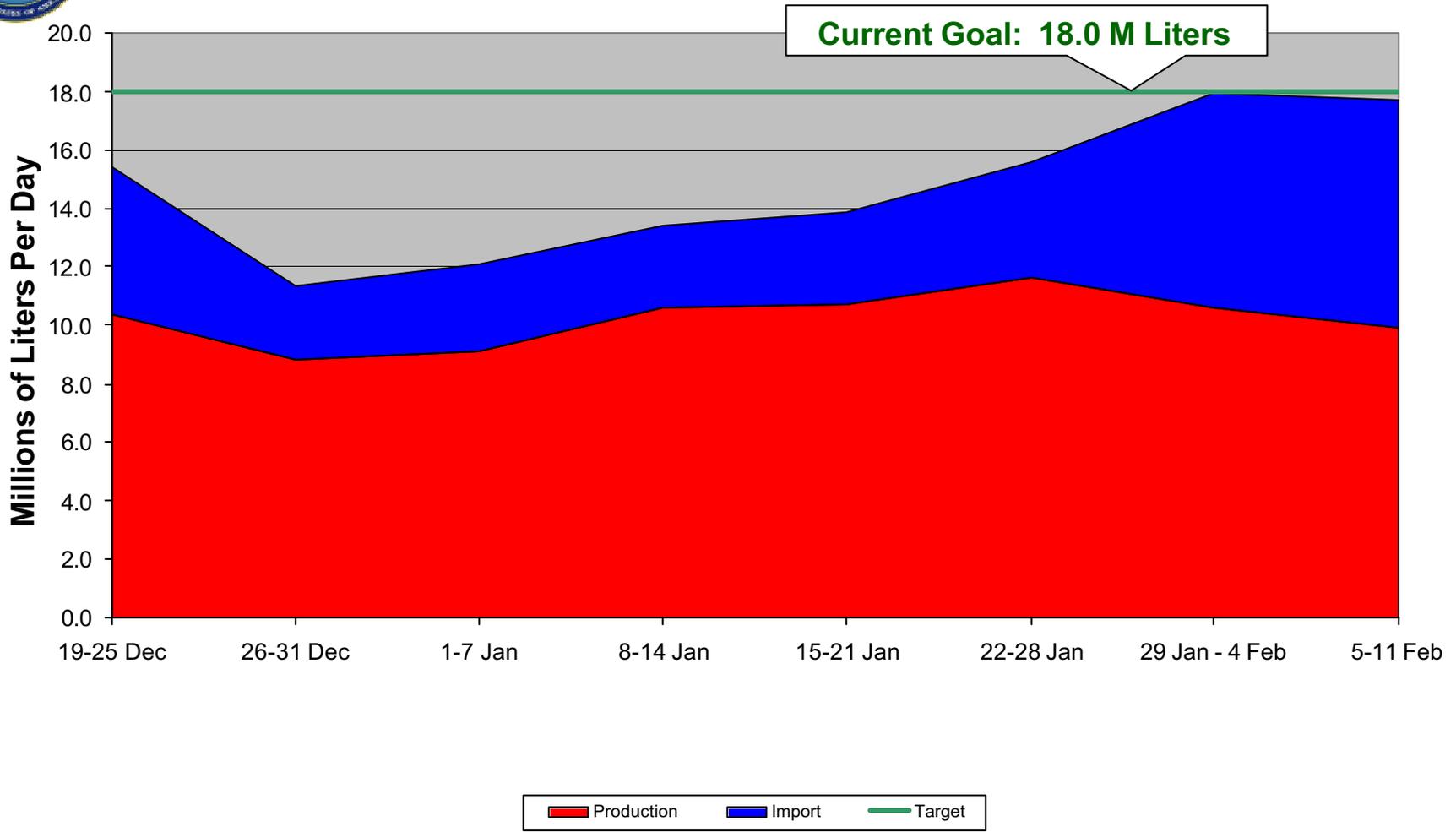


• This week's average production and imports are 71% of goal



Gasoline / Benzene Production

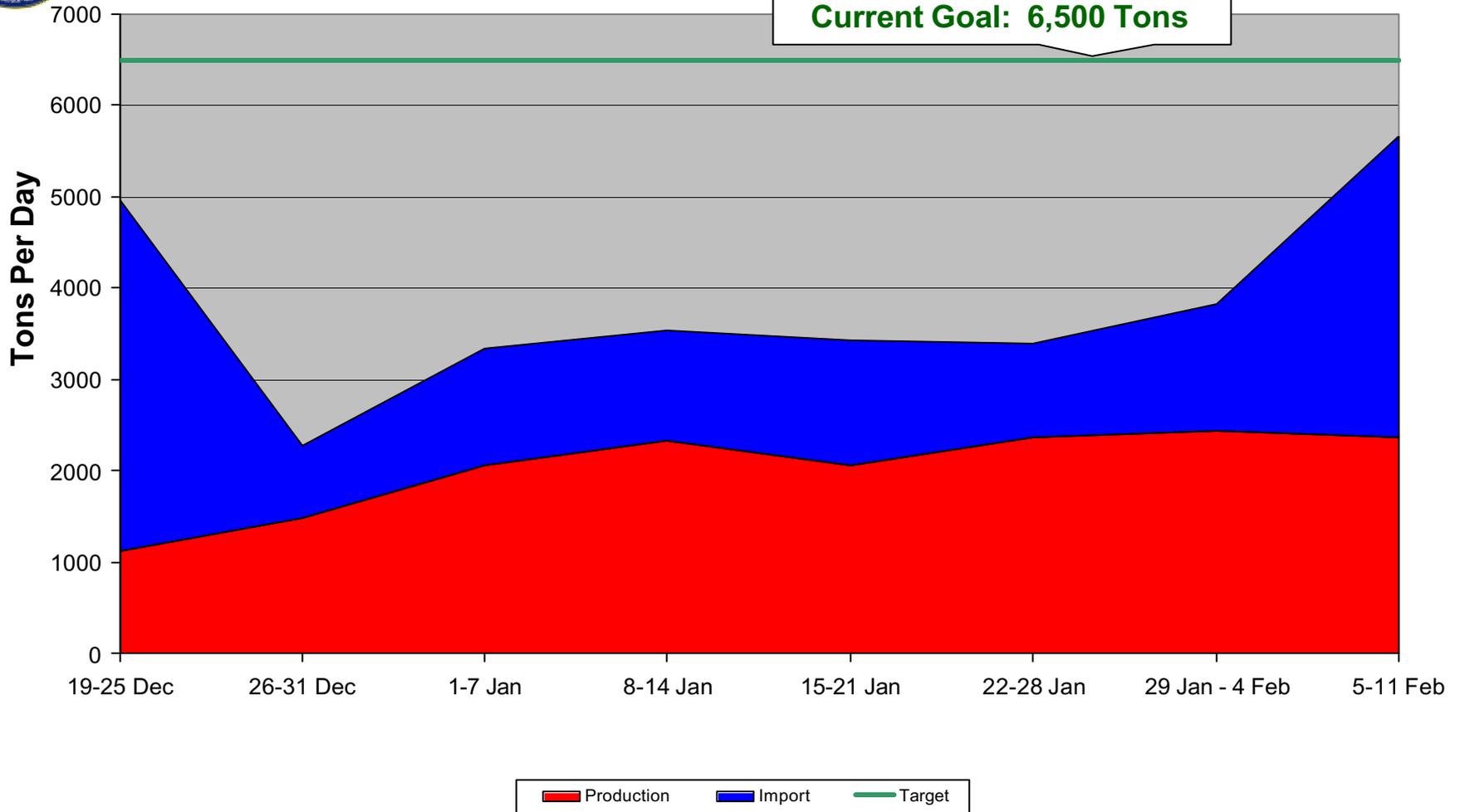
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• This week's average production and imports are 98% of goal



Liquefied Petroleum Gas Production



- This week's average production and imports are 87% of goal

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Essential Services - Education

- **Accelerated Learning Program resumed on February 10 after mid-year vacation**
 - **Provides out-of-school children (due to illness, moving or returning to work) a second chance for education**
 - **Children who pass year-end exams will be integrated into main schools**
 - **Encouragement from mothers had a tremendous impact on getting children back in school**
 - **Program has registered almost 700 children and recruited over 50 teachers**
- **835 secondary school Master Trainers resumed training for 33,000 secondary school teachers and 3,000 administration staff on effective classroom management**
- **More than 1,500 secondary students applied for a student-exchange program sponsored by State Department's YES Program**
 - **12 students will attend high school and live with a US family**

Essential Services – Education (cont)



- **CPA finalized and printed its situation analysis report: “Education in Iraq: Current Situation and New Perspectives”**
- **Twenty-five Iraqi Fulbright scholars met with President Bush and Secretary Powell**
- **The Minister of Higher Education continues to reform the administration of the higher education system**

Essential Services – Healthcare

- **Ministry of Health (MOH) is modernizing Iraqi health professionals' skills, out-dated from 20 years of isolation**
 - 2,500 medical staff are to be trained by April in 7 governorates
- **Repairs to Medical Rehabilitation and Arthritis Center improving clinic's ability to treat patients with cerebral palsy, paralysis, and arthritis**
 - Looted after the war, the center now sees only 300 patients a day
 - Currently treats 100 patients injured in the recent conflict
- **600 primary healthcare clinics in Iraq will receive state-of- the-art medical equipment, basic clinical supplies and training**
 - trained in malnutrition screening, monitoring growth, and rehabilitating and managing acutely malnourished children

Healthcare Milestones

- **Apr 04: Electronic health surveillance program initiated**
- **Jun 04: Model health care clinics established**
- **End 04: 90% of all children receive routine immunizations**
- **End 05: Infant mortality rate reduced by half to 50 / 1,000**

Essential Services – Healthcare (cont)

- **UNICEF works with MOH to develop health education program**
 - Printed materials on hygiene and the control of diarrhea, as well as the health education book, *Iraqi Facts for a Better Life*
 - Educational public service announcements
 - Posters and compact discs for diarrhea and upper and lower acute respiratory infections for use in primary health care centers
 - Training workshops for health workers, local media personnel and community groups
 - Mobile health education campaigns
- **CPA coordinated national plan for dealing with possible cases of pathogenic bird flu in Iraq**
- **The World Health Organization (WHO) and USAID are working to reduce the presence of communicable diseases (malaria, leishmaniasis, schistosomiasis, and brucellosis) in Iraq**

Essential Services – Water



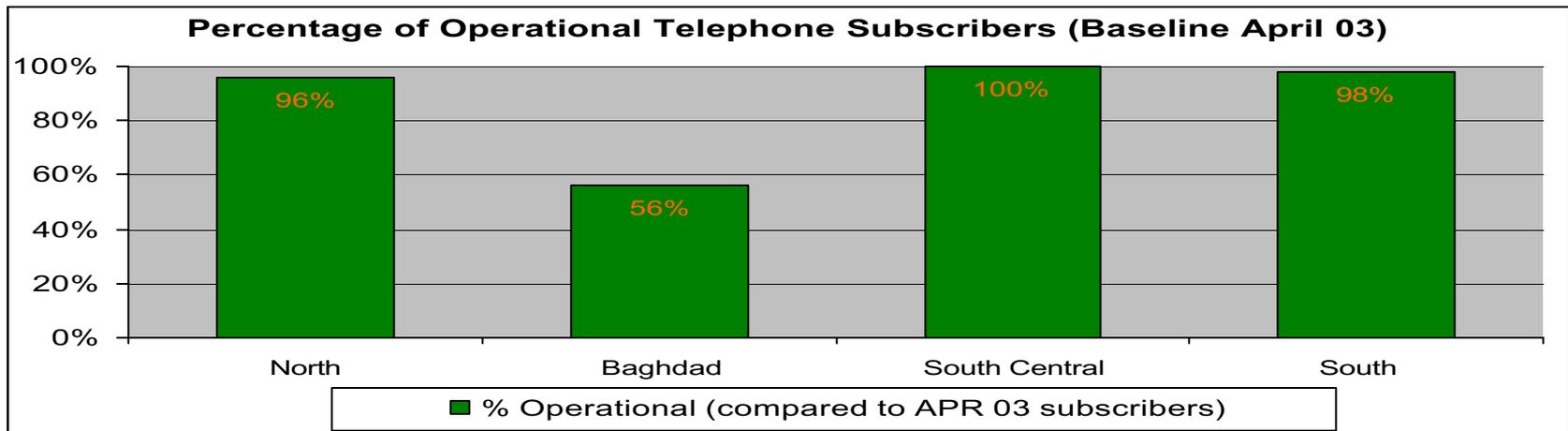
- **USAID partner Research Triangle Institute's (RTI) Oct-Nov poll results show that Iraqis viewed water as among most effectively delivered services. According to respondents, average daily availability of water in Nov was 1-hour above pre-war levels. Most respondents agreed that access to basic services had improved, but thought that the services themselves remained insufficient**
- **Ministry of Water Resources (MoWR) is working with advisors from USAID to consider reforming irrigation tariffs. Currently, irrigation fees are charged to farmers for water used to cultivate their crops. These fees go to MoWR, which is then responsible for operating and maintaining the system of main streams, canals, and branch streams which provide the water for irrigation**
- **Reforms are estimated to generate additional \$10 million to improve irrigation operations and assist farmers with maintenance of their farm canals and drainage**

Current MoWR Irrigation Recommendations:

- **Introduce annual \$10 (15,000 dinars) surcharge per farm. Fee could later vary by irrigation project**
- **Triple flat rate surcharge for low-priority crops**
- **Initiate a system improvement program to maintain canals and drains, which will improve service delivery and farming productivity**
- **Through subsidy program, create incentives for farmers to use modern irrigation techniques in all areas**
- **Provide soft loans to farmers that adopt modern irrigation techniques**

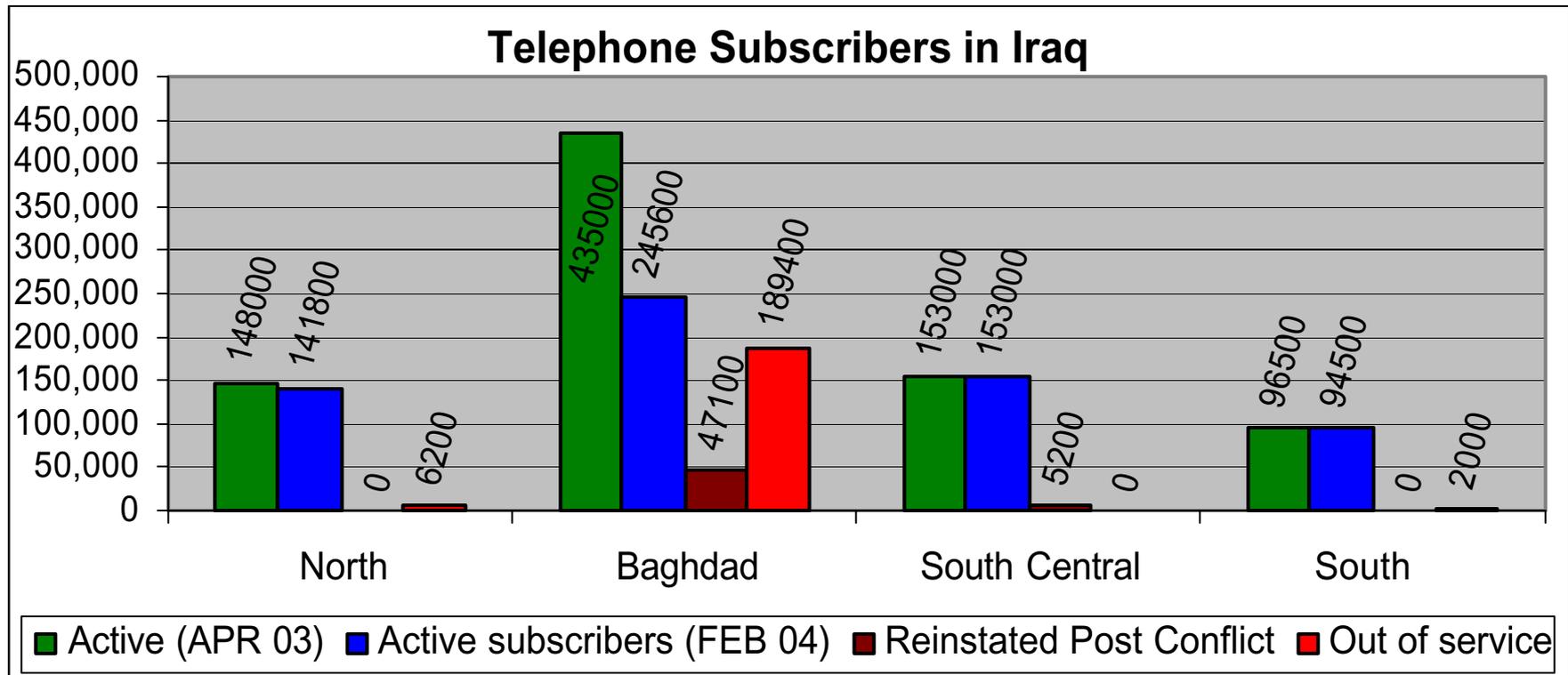
Essential Services - Telecommunications

- 263 Post Offices were restored and are now operational. Estimated daily mail volume at the Central Post Office is 1,000 pieces / day
- CPA completed the assignment of 10,000 radio frequencies for the Iraqi police forces. Radio distribution will take place before 01 Apr 04
- In Apr 03, the Iraqi telephone system was capable of providing service to 1.1 million customers, but there were only 833,000 active subscribers (excluding the three Northern governorates). Currently (Feb 04) there are 635,000 active telephone subscribers in Iraq. The penetration rate (number of active telephone subscribers as a percentage of population) is 2.5 % (using an estimated population of 25.9 million)
- The following chart shows the percentage of operational telephone subscribers compared to the number of active subscribers in April 2003:



Essential Services – Telecommunications (cont)

- Since May 03, CPA has reinstated telephone service for 52,300 subscribers, and continues to make progress in restoring service to customers, especially in Baghdad
- The following chart shows the number of active subscribers in Apr 03, the current number of active subscribers, the number of subscribers reinstated since May 03, and the number of formerly active subscribers who remain without service (excluding the three Northern governorates)



Essential Services – Housing & Construction

- **The Ministry of Housing and Construction continues to work with the Ministry of Justice in completing the short-term construction requirements for prisons. Five employees will attend a prison tour in Spain from 14 - 20 Feb**
- **The housing shortage is estimated at 1.4 million units. The 2004 budget will fund two new projects of 504 apartments each. Three low-income housing projects (1,320 apartments) are underway with 2003 Iraqi budget funds. CPA made a special allocation of \$100 million for additional housing projects (13 apartment buildings with 504 apartments each) and \$30 million in mortgage banking funds. Bids on the contracts opened on 10 Jan and are in progress**



Total Security Forces

Security Forces (x1,000)	01 Jan	09 Jan	16 Jan	23 Jan	30 Jan	06 Feb	13 Feb
Additional Iraqi Recruits *	5.9	7.1	7.5	7.1	6.7	6.8	7.4
Other Coalition	24	24.5	25.5	25.6	25.6	24	24
Iraqi Coalition Forces	198.3	203.4	202.9	206.6	206.3	212.2	212
US	122	125	124	122	109	114	115
Total	344	353	353	354	341	351	351

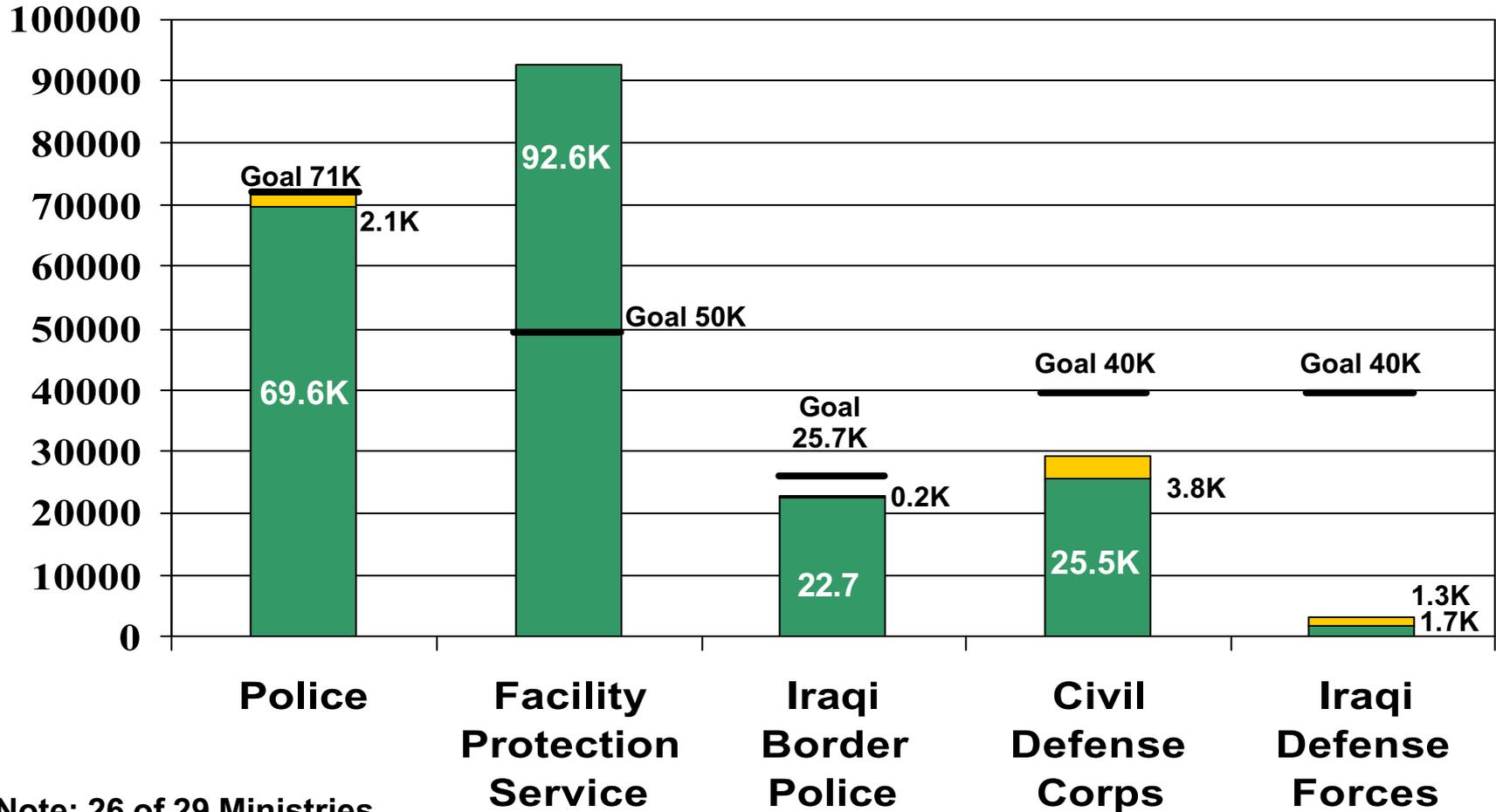
* Iraqi Recruits not included in total due to their training status

Note: CPA and CJTF-7 are reviewing the numbers and will provide an updated status on 17 Feb



Security Forces

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Note: 26 of 29 Ministries Reporting

■ Operating w/ Coalition
 ■ Additional Recruits

Note: CPA and CJTF-7 are reviewing the numbers and will provide an updated status on 17 Feb

Data as of 13 Feb



AMMO / Explosives / Weapons Captured (Weekly)

Captured AMMO & Explosives	19 - 25 Jan	26 Jan - 01 Feb	02 - 08 Feb	09 - 15 Feb
Assembled IED	63	33	49	68
RPG rounds, Grenades	947	785	1,143	754
MANPAD rounds	28	0	0	0
Mortar, Artillery, Rocket Rounds	4,776	1,568	3,615	2,289
Mines	36	17	2,100	147
Pounds of Explosives	469	68	1,420	168
Rounds < 30mm	41,135	950	1,204	0
Captured Weapons				
RPG Launchers	261	66	101	44
MANPAD Launchers	19	6	18	3
Small Arms	491	326	311	251
Crew Served Weapons	0	15	14	59

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Stability Contributors

Countries with forces in Iraq

34

TOTAL ~24.5K

- Albania
- Australia
- Azerbaijan
- Bulgaria
- Czech Rep
- Denmark
- Dom Rep
- El Salvador
- Estonia
- Georgia
- Honduras
- Hungary
- Italy
- Japan
- Kazakhstan
- Korea
- Latvia

- Lithuania
- Macedonia
- Moldova
- Mongolia
- Netherlands
- New Zealand
- Nicaragua
- Norway
- Philippines
- Poland
- Portugal
- Romania
- Slovakia
- Spain
- Thailand
- Ukraine
- UK

Countries considering decision to provide forces for Iraq

6

TOTAL TBD

40 Countries
 Potentially Supporting
 Iraqi Stability and
 Humanitarian Relief

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Governance – Democracy Building

- Through local governance activities, more than 19 million Iraqis are engaging in local policy discourse through local government entities and civil society organizations
- More than half of the governorates have Provincial Councils that have completed the refreshment process to become more representative of their populations, in terms of gender and ethnicity, than when originally chosen
- Established local councils include
 - 78 city councils
 - 54 district councils
 - 48 sub-district councils
 - 138 neighborhood councils



- ★ Provincial Council refreshed
- ★ Refreshment in process
- ★ Not included



Governance – National Transition

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2003

Nov 15

New agreement between CPA and GC on transition process

Feb 28

Drafting and approval of Transitional Administrative Law

Mar 31

Bilateral security agreements

2004

May 31

Selections to Transitional National Assembly

Jul 1

Transitional National Assembly selects executive and assumes full sovereign powers for governing Iraq → CPA and GC dissolve

2005

Mar 15

Elections to constitutional convention

Dec 31

Constitutional ratification and national elections

New Government Assumes Power



Justice

- **New Senior Advisor in place – Edward Schmults, former Deputy Attorney General, Department of Justice**
- **Central Criminal Court of Iraq (CCCI)**
 - **Al Jazeera photographer convicted of aiding others in planning attacks against Coalition forces / failing to report plans for such attacks, sentenced to 5 years imprisonment**
 - **Sheik Moyed, leader of Al Hawza in Baghdad, acquitted of kidnapping charges after 2 victims recanted their earlier testimony; still pending trial on charges for theft of government property and weapons**
 - **Suspect in case referred to CCCI (who had confessed to attempted ambush of US patrol with an RPG) escaped from US detention facility**

Economics - Financial Market Structures



- As of 31 Jan estimated crude oil export revenue is \$1.3 billion
- On 31 Jan the Central Bank of Iraq (CBI) announced that on 01 Mar it would fully liberalize interest rates on deposits, loans, credits, securities, and all other domestic financial instruments
- USAID partner Bearing Point is facilitating reform of tax policies to promote private sector growth
- On 29 Jan the World Bank Board of Executive Directors authorized the Bank to act as an administrator for the Iraq World Bank Reconstruction Trust Fund, which will finance a program of emergency projects and technical assistance
- The Ministry of Water Resources is reviewing irrigation tariffs to increase cost recovery and to provide incentive to farmers to use water efficiently
- CPA continues to work with Minister of Finance to finalize changes to the 2004 Iraqi budget
 - In addition, CPA is meeting with representatives from around the country to address their budget issues

Economics - Currency & Banking

- As of 04 Feb the balance in the Development Fund for Iraq (DFI) was \$8.6 billion
- State Department and US Agency for International Development (USAID) assistance to Iraq disbursed in FY 2003 / 2004 totals \$2.3 billion as of 27 Jan
- Currency exchange completed
 - At the New Iraqi Dinar (NID) auction on 31 Jan the settlement price was 1360 dinars per dollar, appreciating from 1370 dinars per dollar on 29 Jan
 - The foreign currency reserves held in currency notes at the Central Bank of Iraq have risen to \$1.5 billion. This figure excludes DFI balances

Banking Sector Metrics

- Proportion of Iraqi bank branches whose bankers have been certified by our programs by Mar 05
- Number of Iraqi firms that bid on reconstruction subcontracts, and the number that win, as a proportion of all bidders
- Change in number of commercial loans issued by Iraqi banks in 2004 versus 2003
- Number of jobs created by non-State Owned Enterprises in 2004

Economics - Other Developments



- **Limited Consumer Price Survey of 9 food items and 4 fuel items undertaken by CPA and Combined Joint Task Force 7 (CJTF-7) is in its fourth week**
 - **Survey draws from 19 cities throughout Iraq and aims to determine price trends within the country**
 - **Includes state store prices and 'market' prices for fuel, both significantly greater than nationally mandated prices**
- **The National Employment Program created 108,433 jobs as of February 6, 2004, nearly 70 percent of its goal**
- **CJTF-7 Civil Affairs estimates that the CPA has created 436,562 jobs for Iraqi citizens (51 percent of the CPA target of 850,000):**
 - **National Employment Program employs 108,433**
 - **Security/National Defense employs 214,831**
 - **CJTF-7 employs 50,473**
 - **Civilian contractors working under CPA contracts employ 61,445**



Program Management Office (PMO)



Work Under Way Now

Construction	
Electrical	\$511,135,260
Public Works	\$94,860,000
Security	\$160,000,000
Schools	\$89,760,000
Non-Construction Procurement	
Security & Law	\$270,000,000
Justice & Public Safety	\$70,000,000
Electric	\$50,000,000
Oil	\$322,000,000
Transportation	\$27,000,000
Education	\$10,000,000
TOTAL	\$1,604,755,260

PMO Web-site Portal operational:
www.rebuilding-iraq.net

Awarded by 1 Jul 04

Construction	
Oil	\$1,200,000,000
Electrical	\$1,993,000,000
Security & Justice	\$749,000,000
Water & Public Works	\$722,000,000
Trans/Comm	\$367,000,000
Bldgs/Education/Health	\$371,000,000
Non-Construction Procurement	
Oil Infrastructure	\$824,000,000
Electrical	\$221,000,000
Security & Law Enforcement	\$2,703,000,000
Water Resources & Sanitation	\$160,000,000
Trans/Comm	\$157,000,000
Roads, Bridges & Construction	\$421,000,000
Private Sector Development	\$172,000,000
Education, Refugees, Human Rights	\$204,000,000
TOTAL	\$10,264,000,000

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Strategic Communication

- According to Nov 03 Quality of Life Survey, Iraqis have access to a range of media including: newspapers, radio, TV, and Internet (graph at right)
- TV programs are rated most accessible, while the Internet is least accessible
- Coalition Forces & CPA, through the USAID Local Governance Program completed design of 1st public information materials promoting democratic themes, & will disseminate set of 1 million leaflets & 40,000 posters in all 18 governorates

